

NEWS RELEASE

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For Immediate Release:

June 18, 2009

Senator Judd Gregg's Floor Statement on "Cash for Clunkers"

Thursday, June 18, 2009

Unofficial Transcript

Mr. Gregg: I'm happy to yield to the Chairman if he wishes to go before me.

First off, this is a very important piece of legislation. I congratulate the Ranking Member, Senator Cochran and the Chairman, Senator Inouye, for bringing it forward. It is critical that we adequately fund our troops in the field. This is our first responsibility as a government when we have troops in the field in harm's way, which is to give them the resources they need in order to protect themselves and defend our liberties.

And so this is a very, very important piece of legislation. It must pass. It simply must pass.

However, as occasionally occurs around here, a piece of legislation, that is so important to our troops, has had air-dropped into it a provision by the House of Representatives that has nothing to do with our troops fighting. And that is a bill called the 'Cash for Clunkers' bill.

Now I have no personal or philosophical disagreement with the concept of purchasing high-mileage vehicles that don't use a lot of gas and exchanging them for lower-mileage vehicles as an attempt to revive the economy of the automobile industry, and at the same time, hopefully accomplish some sort of environmental protections. I would simply note, however, that this provision air-dropped into this legislation doesn't accomplish any of that.

Basically this is a bill that was drafted in the House without the input of the Senate. There was actually a much better bill here in the Senate. Senator Feinstein and Senator Collins'

proposal, which would have actually meant some mileage differential would have occurred, but it was not allowed to be included because the bill, as it was put into the conference report, was unamendable.

And so the bill itself is flawed because it allows you to exchange your car and get money for your car, but the increased mileage of the new car you buy only has to be a mile or two miles per gallon higher. So it has virtually no impact, since the philosophy of the bill itself is flawed.

But the real problem with this bill, besides the fact that it is part of a piece of legislation that it shouldn't be, is the fact that it is totally unpaid for. It is \$1 billion of new costs that are put onto our children's shoulders. It is \$1 billion of new spending put on the federal debt. We already know that the federal debt isn't sustainable. Almost every day we are hearing international purchasers of our debt, whether it be China or Russia, and international economists or economists in the United States, saying that the American debt situation has gotten out of control. And that we are at risk as a nation of having a situation where the cost of our debt will go up dramatically because we are putting so much debt on the books.

Under the President's Budget, the deficit will be \$1 trillion a year on average for the next 10 years. We will be running deficits of 4% to 5% of gross national product. We will have a debt that will equal 80% of the gross national product. Just within the next three years, we'll have a debt that's 60% of the gross national product. And at the end of ten years, it will be 80%.

What does that mean? That means we will have a debt and a deficit situation that will lead us down the road toward having a government we can't afford and that our children can't afford.

Ironically, as I've said before on this floor, our debt is getting so out of control and our deficits are getting so high, that if we, as a nation, tried to enter the European Union -- which is a group of industrialized countries that has rules as to what a country can do in the area of debt and deficits for solvency reasons -- we couldn't get in because their rules say that deficits can't exceed 3% of GDP and that the debt to GDP ratio can't exceed 60%. Latvia or Lithuania or some other nation might be able to get into the European Union, but we couldn't.

Our debt is an incredibly serious problem for us as a nation and for our children.

And the irony here is that the bill that was added to the Defense Bill, which is designed to pay for the troops in the field, came on the same day, the exact same day that the President of the United States and the Democratic Leadership of the Congress, met down at the White House to announce that they were going to reinstitute the Pay-Go rules.

What are the Pay-Go rules? The Pay-Go rules require that when you spend a dollar, you pay for it. When you create a new program, you pay for it. The President came out and,

with great fanfare, said the President and the Democratic Leadership of this government—which leads the government—are going to put in place Pay-Go rules. And all future spending will be subject to Pay-Go rules, with a few exceptions that he listed, which were pretty big exceptions.

But he didn't list this bill that spends \$1 billion and is not paid for. After the press conference, which occurred around 12:30 in the afternoon, the House of Representatives passed the “Cash for Clunkers” bill, which spent \$4 billion and which wasn't paid for. That bill added \$4 billion of new debt to our national debt, debt which will be paid by these young people up here who are Pages today when they get jobs.

What excuse do we have as a government for passing a bill to purchase cars today and then send that bill to our children and our grandchildren as part of the debt which we're passing on to them? It's inexcusable.

It would be easy enough to pay for this bill. There are enumerable places in this government which is spending trillions of dollars a year to find a billion dollars to pay for this bill if it was a priority. Clearly, if the President and the Democratic Leadership are going to call on us to follow Pay-Go rules, we should follow them, or at least for a day. You know, they couldn't even get through a day without violating the rules they just said they were going to follow. This bill constitutes a billion dollars of new spending which is unpaid for.

So whether you agree with the policy of this bill or not, this ‘Cash for Clunkers’ bill, the issue is that it spends a billion dollars it doesn't pay for it, and adds to the national debt. And the national debt is out of control. And the American people know it's out of control, and it's inexcusable that this Congress can't discipline itself. So I will make a point of order. It doesn't bring down this bill. It doesn't harm our ability to fund the troops in the field.

The point of order is under a new rule that was put in place at the beginning of last Congress by the Democratic Leadership and the Democratic body. But this rule was a good one. This rule was put in place by a bill entitled, The Honest Leadership and Open Government Act, and its primary sponsor was Senator Reid, and its second sponsors were Senator Durbin, Senator Schumer, and Senator Stabenow. And the bill was structured for the purposes of not allowing actions that were similar to what happened with this Defense bill, which is that people air-drop into it special-interest legislation, unpaid for, in this case. It's called Rule 44. I believe it's Section 8. And it says, essentially, in a Conference, you cannot put in new language which was not part of that Conference and which is targeted, directed spending for the purposes of benefiting some defined group. In this case, spending was targeted for the purposes of passing the ‘Cash for Clunkers’ bill. You can't put it in. That's what the rule says.

And why was it created? Because too often around here, this type of mismanagement of our finances occurs. People go into a Conference, and they know that they've got a train that's going to leave the station -- in this case, everybody around here wants to support

our troops in the field, and we know we're going to fund them -- and so they put in the Conference all sorts of extraneous things which are inappropriate to that bill. And this type of activity became a pandemic around here. And so the Democratic Leadership, much to their credit, passed The Honest Leadership and Open Government Act. And in that Act, they put in Rule 44, Section 8, which said exactly what happened with this language shouldn't happen.

And I congratulate the Chairman of the Committee, Senator Inouye, because he has aggressively resisted allowing this type of action to occur. But in this case, the House of Representatives gave him no options, and they put the language in the bill over some debate, I presume.

So my motion will knock out this language. It doesn't defeat the bill. The bill can still stand, and be sent back to the House, and can be passed. It would only take another couple of hours, maybe at the most, to pass it. And if people want to bring back the 'Cash for Clunkers' bill, they can do that. They can do it as a free-standing bill, and hopefully they can do it by paying for it, because that's the way it should be done. Because there's another rule around here that it violates, which is the Pay-Go rule.

So Sen. Reid's preemptive motion to waive the point of order I will raise is going to be the first test of this Congress on two very critical issues. Well, three really. First, are we going to do something about the debt of this nation? Are we going to start paying for new programs which we know are politically attractive -- every auto dealer in America wants this language included in this bill -- but are we going to pay for it, as we should? Secondly, are we going to live by the rules that were put in place by the Democratic leadership under The Honest Leadership and Open Government Act? And thirdly, are we going to live by the statement made by the President of the United States, surrounded by the Democratic Leadership of this Congress on the same day this bill was included, that Pay-Go will be the new way that we enforce fiscal discipline around here? Three major issues will be addressed by this vote. Members who vote to waive this rule will be voting to pass a billion dollars of debt on to our children on top of the trillions that we're already putting on their backs. They will be voting to waive a rule that was put in by the Democratic Leadership for the purposes of avoiding this type of action. And they will be voting to override the Pay-Go rules which they have wrapped themselves up in as the way to fiscally discipline this place.

So I would hope that people wouldn't not pursue that course. That they would not vote to override this point of order, that they would sustain this point of order and then move forward on the Supplemental to fund the troops. But that they not add a billion dollars of unnecessary and extraneous spending in a to this package.

I yield the floor.

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